

MAYOR'S REPORT

DECEMBER 31,2010

Ol' Man Winter has really entered the room with a bang! After having an extended autumn with somewhat mild weather, things have certainly changed in a hurry. Locally, 18 inches plus of fresh powder fell, making driving very hazardous as well as making Berlin's streets icy. With the cold on the back side, salting the streets will have limited effect until temperatures reach into the 20s.

As expected, the New Hampshire Office of Consumer Advocacy has come out in opposition to the power purchase agreement (PPA) that has been negotiated between PSNH and Laidlaw Berlin Biopower. The OCA is trying to make the shortsighted case that in today's depressed recession driven market, power is plentiful and cheap. They have not addressed what happens if VT Yankee in Vernon Vermont ceases operation after it's license expires in two years. The Vermont legislature has gone on record as NOT supporting it's continued operation. VT Yankee has been plagued with numerous emergency shutdowns, radioactive material releases, and an overall poor safety record. Although it is considered a small nuclear plant at 650 MW, that removal from the grid will have an immediate negative impact on price. Couple that with the fact we won't always be in recession, locally produced power will greatly benefit the region long term. Electricity pricing has historically been indexed to the price of oil, and we've all seen the price of heating oil and gasoline lately.

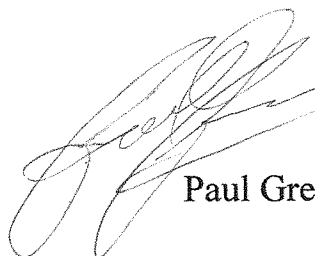
With Christmas behind us, it looks like the downtown merchants have had a better than usual shopping season. It is very important that we support our friends and neighbors who own businesses in the downtown. Main Street is our eyes, ears, but most importantly, the pulse of our community. Whether you shop, eat, or meet downtown, a happy friendly face goes a long way to leaving that positive experience for visitors. It really makes a huge difference!

On the economic front, new Bureau of Prisons employees are starting to purchase homes in the area. In about 2 weeks or less, prison contractor Bell-Heery will turn the facility over to the Federal Bureau Of Prisons. There still remains the hookup to Berlin's Wastewater Treatment Facility, which final permanent work to be completed by late fall. Counsel RB Capital is working very diligently to find a partner that is committed to a long term operational agreement for Cascade Mill. They are taking a slow methodical approach, not just a "warm body", but the right fit to make this mill successful. It truly is the right approach, as there can no longer

be any mistakes made.

I would like to offer my condolences to the families of Anita Gagnon and Bobby Catello. Both were outstanding people of high moral character. Before her retirement, Anita was the always cheerful person at Berlin IGA. Bobby Catello's musical talents were well known, and you could never stop by Catello's Music for just a second. Bobby was as well versed in all aspects of music, and was a huge help to the Northwoods Senior Drum and Bugle Corps when we re-organized 10 years ago.

Finally, I want to wish all a Happy New Year!!

A handwritten signature in black ink, appearing to read 'Paul Grenier', with a stylized, cursive script.

Paul Grenier